

# Where are the sub-national actors in EU energy and climate change policy?

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# ***Background***

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- Jumbo package re. electricity proposed by European Commission in November 2016
- Physical nature of renewable energy: more variable, less predictable and more decentralised than traditional generation; increased role for DSO
- Consumers to be enabled to manage their demand actively, produce electricity for self-consumption and feed the excess into the grid. Large utilities no longer dominate the market
- Subnational actors have an important role to play in the decarbonisation of the European energy system, its democratisation, and a strengthening of cross-border collaboration
- So far the legislative proposals underestimate/overlook the contribution they can make to the energy transition; what is the right scale for actions; overlapping roles

# Directive on Renewable Energy

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## Renewable self-consumers

*“ 1. Member States shall ensure that renewable self-consumers, individually or through aggregators:*

*a) are entitled to carry out self-consumption and sell, including through power purchase agreements, their excess production of renewable electricity without being subject to disproportionate procedures and charges that are not cost-reflective;*

*b) maintain their rights as consumers;*

*c) are not considered as energy suppliers according to Union or national legislation in relation to the renewable electricity they feed into the grid not exceeding 10 MWh for households and 500 MWh for legal persons on an annual basis; and*

*d) receive a remuneration for the self-generated renewable electricity they feed into the grid which reflects the market value of the electricity fed in.”*

# ***Directive on Renewable Energy***

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## **Renewable energy communities**

*“Member States shall ensure that renewable energy communities are entitled to generate, consume, store and sell renewable energy, including through power purchase agreements, without being subject to disproportionate procedures and charges that are not cost-reflective.*

*For the purposes of this Directive, a renewable energy community shall be an SME or a not-for-profit organisation, the shareholders or members of which cooperate in the generation, distribution, storage or supply of energy from renewable sources, fulfilling four out of the five criteria”*

including re. shareholders being at least 51% natural persons, at least 51% members of the board of directors are representatives of local public and local private socio-economic interests or citizens having a direct interest in the community activity and its impacts and the community has not installed more than 18 MW of renewable capacity for electricity, heating and cooling and transport as a yearly average in the previous 5 year.

# ***Regulation on Internal Market in Electricity***

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In the Explanatory Memorandum under heading subsidiarity: creation of supra-national regions

Regional Operational Centres (ROCs) seen as a way of strengthening regional cooperation

Alleged reason: Due to the close interconnection of the Union electricity grid and the increasing need to cooperate with neighbouring countries to maintain grid stability and integrate large volumes of renewable energies, regional operational centres will play an important role for the coordination of TSO

Tasks of ROCs include (a) coordinated capacity calculation; (b) coordinated security analysis; (c) creation of common system models; (d) consistency assessment of transmission system operators' defense plans and restoration plans; (e) coordination and optimization of regional restoration; (f) post-operation and post-disturbances analysis and reporting; (g) regional sizing of reserve capacity;

# ***Regulation on Internal Market in Electricity***

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- Decision Making process vague: “The day-to-day operation of regional operational centres shall be managed through cooperative decision-making”. [Art. 35]
- The management board shall be composed of members representing the TSO and of observers representing the regulatory authorities of the system operation region. The representatives of the regulatory authorities shall have no voting rights.
- ROCs to issue decisions to TSOs

# ***ACER Regulation***

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## **Proposals re. ACER Governance Structure**

- Administrative Board to adopt most decisions by simple majority [at present  $\frac{3}{4}$  majority]
- Board of Regulators to adopt most decisions by simple majority
- Establishment of regional subgroups of the Board of Regulators
- Rotating role of coordinating national authority for regions
- Administrative Board to create working groups by from employees of ACER, regulators and commission to assist the work of Director and Board of Regulators

# ACER Regulation

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## Coordination of regional tasks within the Agency [Art. 7]

*“For decisions pursuant to Article 5(2) last sentence of the present Regulation, on joint regional terms and conditions or methodologies to be developed under network codes and guidelines pursuant to Chapter VII of the [recast Electricity Regulation as proposed by COM(2016) 861/2] which regularly concern a limited number of Member States and require a **joint regulatory decision at regional level, the Agency may be assisted by a subset of the Board of Regulators**”*

*“When the Board of Regulators decides on its opinion on the proposal, it shall take due account of the recommendation of the regional subgroup. 5. The regulatory authorities of the region shall jointly designate **a single coordinating national regulatory authority responsible for the coordination of the regional subgroups of the national regulatory authorities**. The function of the coordinating national regulatory authority shall rotate every two years.”*



***Thank you for your attention***

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